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FM SECSTATE WASHDC  
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INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE  
RUEHKL/AMEMBASSY KUALA LUMPUR 0000

S E C R E T STATE 004159

SIPDIS

E.O. 12958: DECL: 01/15/2034  
TAGS: [MTCRE](#) [PARM](#) [ETTC](#) [MNUC](#) [TSPA](#) [IR](#) [MY](#) [GM](#)  
SUBJECT: IRANIAN PROCUREMENT NETWORK CONTINUES EFFORTS TO  
ACQUIRE GERMAN GOODS VIA MALAYSIAN ENTITIES (S)

REF: A. 2008 STATE 107113  
[1](#)B. 2008 BERLIN 1384

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS  
1.4 (B), (D), AND (D).

[1](#)1. (U) This is an action request. Embassy Berlin  
please see paragraph 5.

[1](#)2. (S) Background and Objectives: In early October  
2008, we shared with German officials information  
indicating that Malaysia's Evertop Services and its  
Iran-based parent company, Farazeh Equipment  
Distributor Company (FEDCO), were engaged in efforts to  
procure transducers, pressure gauges and C-16 load  
cells manufactured by the German firm Hottinger Baldwin  
Messtechnik GmbH (HBM) (Refs). We noted that Evertop  
and FEDCO had facilitated many transactions on behalf  
of Iranian end-users of concern, including Iran's  
primary developer of liquid-propelled ballistic  
missiles and entities affiliated with Iran's unmanned  
aerial vehicle program. We also advised the FRG that  
Singapore's QT Instruments and Evertop's Malaysian-  
based sister company Bio-Focus Saintifik Sdn. Bhd. were  
helping to coordinate these procurement efforts, and  
that, as a result of concerns HBM had expressed related  
to this activity, Evertop, QT Instruments and Bio-Focus  
had undertaken efforts to ensure that HBM remained  
unaware that the ultimate end-user was Iranian.

[1](#)3. (S) We now understand that as of late November  
2008, another Malaysia-based firm affiliated with FEDCO  
- Elite Advanced Solutions Sdn. Bhd. - was planning to  
receive five HBM C-16 load cells from QT Instruments,  
probably for ultimate use by Iran's ballistic missile  
program. Due to HBM's previously expressed concerns  
regarding the earlier transaction involving Evertop,  
FEDCO has taken measures to avoid inferring any  
relationship between Elite and Evertop, although the  
firms are in fact both subordinate to FEDCO.

[1](#)4. (S) Objectives: We want to share this new  
information with German officials in order to make them  
aware of the ties between Elite, Evertop and FEDCO, and  
urge them to exercise scrutiny when reviewing  
applications to export goods to any of these or other  
affiliated firms.

[1](#)5. (U) Action Request: Request Embassy Berlin approach  
appropriate German government officials to deliver  
talking points/non-paper in paragraph 6 below and  
report response. Talking points also may be provided  
as a non-paper.

[1](#)6. (S) Begin talking points/non-paper:

(SECRET//REL GERMANY)

-- We would like to raise with you a matter of proliferation concern and request your government's assistance in investigating this activity.

-- In early October 2008, we shared with you information indicating that as of September 2008, Malaysia's Evertop Services and Iran's Farazeh Equipment Distributor Company (FEDCO) were engaged in efforts to procure goods - including transducers, pressure gauges and C-16 load cells - manufactured by the German firm Hottinger Baldwin Messtechnik GmbH (HBM).

-- Evertop has facilitated many transactions on behalf of Iranian end-users of concern, including liquid-propellant ballistic missile developer Shahid Hemmat Industrial Group (SHIG) and entities affiliated with Iran's unmanned aerial vehicle program.

-- FEDCO is Evertop's Iran-based parent company.

-- This activity was being coordinated with a Singapore-based firm, QT Instruments, and its Malaysian-based sister company Bio-Focus Saintifik Sdn. Bhd.

-- We noted that, in response to concerns HBM expressed related to this activity, Evertop, QT Instruments, and Bio-Focus Saintifik undertook efforts to ensure that HBM remained unaware that the ultimate end-user was Iranian.

-- We now have additional information to share with you related to this case.

-- Specifically, we understand that as of late November, Elite Advanced Solutions Sdn. Bhd. - another Malaysia-based firm affiliated with FEDCO - was planning to receive five HBM C-16 load cells from QT Instruments/Bio Focus Saintifik.

-- We believe that these load cells are destined for Iran's ballistic missile program.

-- FEDCO has taken measures to avoid inferring any relationship between Elite and Evertop, although the firms are in fact both subordinate to FEDCO.

-- We believe this is due to the concerns that HBM previously expressed over the earlier transaction involving Evertop.

-- We are bringing this information to your attention to alert you to the fact that there are a number of firms - including Elite and Evertop - operating under FEDCO's supervision, and to urge you to carefully scrutinize applications to export goods to Evertop, Elite or any other affiliated entities.

-- We look forward to hearing of any actions your government takes in response to this information.

End talking points/nonpaper.

17. (U) Please contact ISN/MTR's John Paul Herrmann with any questions or follow-up issues related to this case (202-647-1430 - herrmannjp@state.sgov.gov) and slug any reporting on this issue for ISN/MTR, EUR/PRA and EUR/CE.

18. (U) A word version of this document will be posted at [www.state.sgov.gov/demarche](http://www.state.sgov.gov/demarche).  
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